

## RETIREMENT BENEFITS AT SEPARATION

Now that you are leaving or are planning to leave the Federal service, you will have an interest in your retirement withholdings. Upon your separation you will be eligible for an annuity or a refund depending upon your particular retirement status.

### A. Eligibility for an Annuity or Refund

If you have less than five years' civilian Federal service creditable under civil service retirement, you are entitled only to a refund of the deductions which were withheld from your base salary plus interest. (Deductions withheld prior to 31 December 1947 accrued interest at an annual rate of 4 percent; thereafter, the rate is 3 percent.) You may leave the money in the civil service retirement fund if you plan to re-enter the Federal service, but no interest will accrue during the period of your separation.

If you have more than five but less than 20 years of creditable Federal service, you have the option of taking a refund or of receiving an annuity upon reaching age 62. Even though you may not be eligible for an annuity immediately upon separation, you may leave the money in your account, and it will continue to accrue interest for the purpose of an annuity until you do become eligible.

On the other hand, if your creditable service totals twenty or more years, you are no longer eligible for a refund unless you enter a position subject to another Federal retirement system. You are entitled to an annuity at the time you become eligible for retirement. Interest on your retirement account accrues until the annuity becomes effective.

Whether or not you are eligible for retirement at separation depends upon other factors than the minimum requirement of five years' civilian service. In brief, you may retire under any of the following circumstances:

1. At any age if you are totally disabled for useful and efficient service in your position, or a comparable position, and you have the required minimum of five years' creditable civilian service;
2. Between ages 55 and 62 if you have 30 or more years' creditable service, but you are subject to a percentage reduction of  $1/4$  of 1% in the amount of your annuity for each full month you are under 60 at the time of your retirement;
3. At age 62 or afterwards with five or more years' service;
4. At any age with 25 or more years' service if you are involuntarily separated not for cause. However, your annuity will be reduced

1/4 of 1% for each full month you are under age 60 at the time of your retirement.

If you are eligible for retirement at the time of your separation, you may apply by executing Standard Form 2801, Application for Retirement, and forwarding it to the Office of Personnel for final processing and transmittal to the Civil Service Commission.

#### B. Creditable Service

For retirement purposes, you may receive credit for most civilian Federal employment. However, in order to receive full credit for periods of civilian service when deductions were not withheld, except periods of Federal civilian service performed before August 1920, it will be necessary for you to make a deposit covering the amount of deductions that would have been withheld plus accrued interest. If you do not make a deposit, the period is still counted toward aggregate length of service, but your annuity is reduced by one tenth of the amount of the deposit that would be required. On the other hand, if you have received a refund covering any previous period of Federal service, that amount, including the interest, must be paid back into the retirement fund before such service will be counted toward an annuity. You may apply for a deposit or redeposit by submitting Standard Form 2803 (or 103), Application for Service Credit, to the Office of Personnel before your separation or to the Civil Service Commission after your separation but prior to the official determination of your annuity.

You may also count periods of military service toward civil service retirement if you have the minimum five years' civilian service and do not credit the military service for military retirement pay. If you were wounded in combat or if the service was acquired in a reserve status, you can even apply, under certain circumstances, periods of military service towards both a civil service annuity and military retirement pay. Moreover, you receive full credit for military service applied toward civil service retirement without making a deposit.

#### C. Voluntary Contributions

You may obtain a larger annuity benefit by making voluntary contributions to the retirement fund before separation or after separation, until the date of adjudication of your application for retirement. Contributions may be made in amounts of \$25, or multiples thereof, by submitting Standard Form 2804 (or 104), Election to Make Voluntary Contributions. Total contributions may not exceed 10 percent of your total basic compensation for services rendered since 1 August 1920.

#### D. Refunds

There is usually an advantage in leaving retirement withholdings in the retirement fund for a future annuity, if you are eligible,

rather than receiving a refund (for example, 3% interest accrues to the date of the annuity). Should you elect to leave your money in the retirement fund in order to receive an annuity when you reach age 62, no immediate action is necessary on your part. Within the last three months before you become 62, you should write to the Civil Service Commission to make a formal application.

If you elect and are eligible for a refund, you may apply by filing with the Office of Personnel a formal application on Standard Form 2802 (or 102), Application for Refund of Retirement Deductions. Final settlement of your retirement account will be made by the Civil Service Commission. The amount to your credit in the retirement fund is separate and distinct from other final payments which may be due you from the Agency.

#### E. Survivor Benefits

Any balance left in your account following your death will be paid as a survivor annuity or as a lump-sum payment to your beneficiary. The Office of Personnel will inform you concerning these prospective benefits and the order of precedence in which lump-sum benefits will be paid to beneficiaries. Before you leave the service, however, you may designate some other beneficiary or beneficiaries, who will take precedence over those prescribed by law, by filing Standard Form 2808, Designation of Beneficiary, with the Office of Personnel.

The Office of Personnel has facilities for advising you unofficially on the types of annuity available and estimating the amount of annuity payments which you will receive. It will also assist you on any other retirement questions which you may have.

**Sample Letter to Beneficiary Concerning  
Death Benefits**

Mrs. John Doe  
1000 Main Street  
Chicago, Illinois

Dear Mrs. Doe:

It appears that you may be eligible for (survivor annuity benefits under the Civil Service Retirement System)(a lump-sum payment of money standing to the credit of Mr. \_\_\_\_\_ in the Retirement Fund, which if paid would be distinct from any final payments which may be due from the Agency).

It will be necessary for you to make a formal application for this benefit on the attached form. Please complete the form in accordance with the printed instructions, including the requirement that a death certificate be submitted. This will avoid any delay which might result from failure to complete the form or to furnish supporting papers.

The form and necessary papers should be sent to the Office of Personnel, 2430 E Street, N. W., Washington 25, D. C., rather than to the Civil Service Commission. The record of Mr. \_\_\_\_\_'s deductions in this Agency will be attached to your application and these documents will be forwarded to the Commission for processing which may require from one to three months.

Please advise us if we can be of any further assistance to you.

Very truly yours,

Deputy Assistant Director  
for Personnel

Sample Letter of Information to Individual Absent  
From Headquarters Who May Be Eligible for  
Disability Retirement or Refund

Mr. John Doe  
1000 Main Street  
Chicago, Illinois

Dear Mr. Doe:

Since you (are considering resignation)(have resigned) from the Agency for reason of ill health, we are furnishing the following information on your eligibility for disability retirement.

The Civil Service Retirement Act provides that an employee who has rendered at least five years of civilian creditable service and becomes totally disabled for useful and efficient service in his position or a comparable position may apply for retirement on account of disability. Such application must be filed before separation from the service or within six months thereafter. Since you have had more than the required five years of civilian service, it is your privilege to apply for disability retirement.

In the event you wish to apply, there is attached for your use an Application for Retirement, Standard Form 2801. The Civil Service Commission requires a statement from your attending physician fully describing all physical signs of any existing disease or injury, with an expression of opinion whether you are totally disabled for useful and efficient service and whether the disability is due to vicious habits, intemperance or willful misconduct. A statement as to the date when such disability for useful and efficient service began should also be included. The application and statement from your physician should be forwarded to the Office of Personnel, 2430 E Street, N. W., Washington 25, D. C.

Since you have less than 20 years of civilian Government service, you are entitled to a refund of the amount in your retirement account in lieu of an annuity for disability. Attached for this purpose is an Application for Refund of Retirement Deductions should you desire to receive the refund. This form should be forwarded to the Office of Personnel, 2430 E Street, N. W., Washington 25, D. C., rather than to the Civil Service Commission. If you decide on a refund, final settlement of your account will be made by the Commission and the refund is separate and distinct from any other final payments which may be payable to you by the Agency. One to three months may be required to process the refund application.

Very truly yours,

Deputy Assistant Director  
for Personnel

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Sample Memorandum Requesting  
Examination for Disability Retirement

MEMORANDUM FOR: Chief, Medical Office

SUBJECT: Disability Retirement of Mr. John Doe

1. Mr. John Doe, (office)(phone number) has contacted this Office concerning his eligibility for disability retirement. In order for his application to receive consideration by the Retirement Division of the Civil Service Commission it will be necessary for the Medical Office to prepare a report on all pertinent phases of the disabling conditions which are alleged to exist.

2. Eligibility for total disability retirement is based on the individual's incapacity for useful and efficient service in his position or a comparable position. The medical report should include a statement on the beginning date of the disability, if known, and the history of the disability during the period of Agency employment. An opinion should also be expressed, if possible, as to whether or not the disability is due to his vicious habits, intemperance or willful misconduct.

3. The medical report may be made by memorandum or on any suitable medical form (such as Standard Form 78, Certificate of Medical Examination) supplemented by pertinent written comments. Please forward the report in duplicate to this Office in order that we can include it with other necessary papers to be transmitted to the Civil Service Commission.

Deputy Assistant Director  
for Personnel

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Sample Memorandum Requesting Medical Report  
for Employee Located Outside Washington, D. C.

MEMORANDUM FOR: Chief, Medical Office

SUBJECT: Disability Retirement of Mr. John Doe

1. Mr. John Doe, (an employee of (office) currently on leave)(an ex-employee of this Agency who resigned on (date) because of ill health), has applied for disability retirement. Processing of this application requires a report from your Office on all phases of the disabling conditions alleged to exist. The standard for total disability for retirement purposes is the individual's incapacity for useful and efficient service in his position or a comparable position.

2. The medical report, based upon available and obtainable information, should include a statement as to the beginning date of the disability, if known, and the history of the disability during the period of Agency employment. An opinion should also be expressed, if possible, as to whether or not the disability is due to the individual's vicious habits, intemperance or willful misconduct. Mr. Doe may be contacted at \_\_\_\_\_ and his physician's address is \_\_\_\_\_.

3. The medical report may be made by memorandum or on any suitable medical form (such as Standard Form 78, Certificate of Medical Examination) supplemented by appropriate written comments. Please forward the report in duplicate to this Office in order that we can include it with other necessary papers to be transmitted to the Civil Service Commission.

Deputy Assistant Director  
for Personnel

Sample Letter Concerning Refunds

Mr. John Doe  
1000 Main Street  
Chicago, Illinois

Dear Mr. Doe:

This will acknowledge receipt of your letter of \_\_\_\_\_ (date) requesting information on the procedure for obtaining a refund of retirement deductions. It will be necessary for you to complete the attached form, Application for Refund of Retirement Deductions, and return it to the Office of Personnel, 2430 E Street, N. W., Washington 25, D. C. Please disregard the instruction on the form providing for direct transmittal of the application to the Civil Service Commission.

The refund of retirement deductions is distinct from any final payments to be made to you by the Agency. When your application is approved by the Commission, payment will be made directly to you. Processing the application may require from one to three months.

Very truly yours,

Deputy Assistant Director  
for Personnel